



County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

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April 27, 2007

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
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Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

SACRAMENTO UPDATE

State Budget

Corrections Reform

AB 900 (Solario, Agazarian, Senator Machado principal co-author), as amended on April 26, 2007, would implement the Public Safety and Offender Rehabilitation Services Act of 2007. This bill would authorize the expenditure of \$7.4 billion in lease revenue bonds to add 53,000 new correctional beds (40,000 State and 13,000 county). In addition, it would temporarily authorize the involuntary transfer of 8,000 inmates to out of state facilities for four years. This would be in addition to the 358 inmates who have already been voluntarily transferred.

Construction of these additional beds would be in two phases. The first phase would consist of 32,000 beds consisting of 12,000 infill beds at existing state prison facilities, 6,000 medical beds requested by the Federal courts, and 6,000 re-entry beds. In addition, funding for 8,000 local jail beds would be available in this phase. Total cost for this phase would be \$4.5 billion. This would include \$188 million in matching county costs.

The first phase would have to be substantially completed prior to the start of the second phase. This phase would include 21,000 beds consisting of 4,000 infill beds at existing State prison facilities, 10,000 re-entry beds and 2,000 medical beds. In addition, funding for 5,000 local jail beds would be available in this phase. Total cost for this phase would be \$3.1 billion. This includes \$118 million in matching county costs.

AB 900 would also provide \$300 million for infrastructure improvements at existing State prison facilities and \$50 million for enhanced rehabilitative programming. The out-year cost for these items is unknown at this time.

This bill reflects an agreement reached by the Governor and legislative leadership on Wednesday. This agreement is intended to respond to lawsuits against the State which contended that the conditions of confinement in the State's prison system fall below constitutional standards. In December of 2006, Federal Judge Lawrence Karlton gave the State six months to show progress in reducing the overcrowding in its prison system. In February 2007, Federal Judge Thelton Henderson directed the State to provide the court with a population reduction plan by May 15, 2007, that would reduce the population in the State prison system by March 2008, and March 2009. Plaintiff attorneys have stated that they did not expect this agreement by the Governor and the Legislature to meet the requirements of the Federal courts.

This bill was approved by the Assembly by a 70-1 vote and by the Senate by a 27-10 vote and has been transmitted to the Governor.

Health Care Workforce Development Program (HCWDP)

Assembly Budget Subcommittee No. 4 on State Administration heard the Employment Development Department budget on April 24, 2007. Among the items before the Subcommittee was County-supported Item 7100-101-0001 which appropriates \$5.7 million for the County's HCWDP. These local assistance funds provide the remaining installment of the State's share of funding for the HCWDP which was agreed to as part of the Section 1115 Medicaid Waiver between the State and Federal government in 2000.

The HCWDP was designed to address the restructuring of the County's hospital and healthcare delivery system pursuant to the Waiver, prepare County healthcare employees for emerging occupations, enhance employee skills, stabilize the County Department of Health Services and provide workers, in case of future downsizing, with transferable skills.

Assembly Subcommittee No. 4 did not raise any issue with the \$5.7 million for the HCWDP. Absent any further action, the Subcommittee is on track to approve the full

\$5.7 million. There is, however, the potential that this issue could be revisited after receipt of the May Budget Revision.

Senate Budget Hearing

On April 17, 2007 Senate Budget Subcommittee No. 3 on Health and Human Services held a hearing on several budget issues including the LEADER System, the Adult Protective Services Program (APS), and the In-Home Supportive Services (IHSS) Program.

The Subcommittee discussed the Governor's FY 2007-08 Budget proposal to provide \$2.0 million for LEADER replacement planning activities and heard testimony from the State Office of Systems Integration and Michael Sylvester from the County Department of Public Social Services who spoke in support of the Governor's proposal. The Legislative Analyst's Office offered an alternative recommendation to modify the planning activities to include an open RFP process to replace the LEADER system. This issue was held open until the May Budget Revision.

The APS Program was discussed as an informational item. Representatives from the California Welfare Directors Association (CWDA) provided testimony on the increased demand for APS services and the fact that State funding for this program has remained at the FY 2002-03 level. CWDA requested a budget augmentation of \$20 million statewide for the APS Program. Our Sacramento advocates testified in support of CWDA's augmentation request.

In addition, the Subcommittee rejected the Governor's Budget proposal to freeze State participation in the non-Federal share of IHSS wages and benefits at negotiated levels in place effective January 10, 2007. The Administration previously indicated that they will continue to fund the State's share of post January 10, 2007 wage and benefit increases pending the enactment of urgency legislation to prospectively limit State participation. The Subcommittee voted to increase State participation in the non-Federal share of IHSS wages and benefits to \$12.10 per hour by a vote of 2 to 1.

Pursuit of County Position on Legislation

AB 298 (Maze), as amended on March 15, 2007 would facilitate permanency for children placed under legal guardianship with a relative caregiver by:

- 1) specifying that a relative caregiver's preference for legal guardianship over adoption may not constitute a basis for removing the child from relative caretaker for an adoptive placement;
- 2) making placement with a relative caregiver as the legal guardian the second option in the order of preference for courts considering child placement;

- 3) requiring courts, prior to termination of a legal guardianship, to order the child welfare agency to evaluate whether the child can safely remain or be returned to the guardian's home and if appropriate, offer reunification or family maintenance services to maintain the legal guardianship.

The Adoption and Safe Families Act (ASFA) recognizes guardianship and adoption as an equally desirable permanent placement for foster children. Although Federal law does not require it, California has opted to use an "order of preference" that lists adoption by an as-yet-unidentified adoptive family as preferable to legal guardianship by a current relative caregiver. A significant number of foster children throughout California are cared for by relatives. Some relatives are willing to adopt; however, other relatives prefer to become legal guardians and provide permanent and stable homes for their relative children while preserving family ties and avoiding potential adversarial relationships with the birth parent. In addition, current California law creates barriers for relative caretakers willing to care for foster children.

According to the Children's Law Center of Los Angeles, the sponsor of the bill, AB 289 would expand the legal rights of relative caregivers and support relatives who willingly provide permanent, safe and stable homes for children in foster care. The bill would also allow these children to maintain a connection to their families. The Department of Children and Family Services recommends that the County support AB 298 because the bill would increase placement options for children in foster care by recognizing legal guardianship with a relative as an acceptable permanent placement plan, and we concur. Consistent with existing Board policy to support efforts which enhance permanency for children in foster care by promoting subsidized legal guardianship and which provide permanent, lifelong connections with relatives, **our Sacramento advocates will support AB 298.**

AB 298 is sponsored by the Children's Law Center of Los Angeles and supported by the County Welfare Directors Association, Alameda County Foster Youth Alliance, California State Association of Counties, Everychild Foundation, Foster Care Advocates, Gay and Lesbian Adolescent Social Services, Inc., Western Center on Law and Poverty, and numerous individuals. There is no registered opposition on file.

AB 298 passed the Assembly Human Services Committee on April 24, 2007 by a vote of 7 to 0, and now proceeds to the Assembly Appropriations Committee.

AB 752 (Dymally), as amended April 10, 2007, would establish a mechanism to distribute stabilization funds among the public hospital system in years three through five of the Hospital Financing Waiver. SB 1100 (Perata), Chapter 560, Statutes of 2005, created a new financing mechanism to reimburse public and private safety net hospitals for health care provided to Medi-Cal and to uninsured patients. SB 1100 established

payment methodologies for private hospitals for the entire five-year waiver period, however, the public hospital distribution only covered the first two years. Therefore, consistent with the County's participation in the Disproportionate Share Hospital Task Force, and the Board approved policy to support a dependable, long-term funding source for the health care safety net, **our Sacramento advocates will support AB 752.**

AB 752 was approved by the Assembly Committee on Health on April 17, 2007, as amended, by a vote of 15 to 0, and it is now awaiting a hearing before the Assembly Appropriations Committee. This bill is sponsored by the California Association of Public Hospitals and Health Systems. There is no registered opposition at this time.

AB 845 (Bass), as amended on April 10, 2007 would appropriate \$10.525 million in FY 2006-07 to fully fund the Transitional Housing Program Plus (THPP) in FY 2006-07.

THP-Plus provides a wide range of supportive services to help emancipated foster youth between 18 and 24 years of age become independent and avoid homelessness, incarceration and reliance on public assistance. Services provided under THP-Plus include: affordable housing, employment training, educational counseling, mental health, and life skills training.

The 2006-07 Social Services Budget Trailer Bill, AB 1808, eliminated the 60 percent county share of cost requirement for THP-Plus and provided \$4.2 million in 100 percent State General Funds for the program. However, the budget allocation is not sufficient to expand THP-Plus in counties that previously were unable to implement or expand the program due to the 60 percent county match requirement.

AB 845 would fully fund THP-Plus in the current fiscal year and provide services for approximately 500 more former foster youth statewide. The Department of Children and Family Services recommends that the County support AB 845 because the bill will provide additional funding to expand services to help former foster youth in Los Angeles County successfully transition to independence, and we concur. Consistent with existing Board policy to support legislation and funding to facilitate successful emancipation, promote self-sufficiency and improve opportunities for youth aging out of foster care, **our Sacramento advocates will support AB 845.**

AB 845 is sponsored by the County Welfare Directors Association and the California Department of Social Services, and supported by the Children's Law Center of Los Angeles, the John Burton Foundation and the Santa Clara Board of Supervisors. There is no registered opposition on file.

AB 845 passed the Assembly Human Services Committee on April 24, 2007 by a vote of 7 to 0, and now proceeds to the Assembly Appropriations Committee.

Status of County-Advocacy Legislation

County-supported AB 98 (Niello), which would require the State to pay 50 percent of the wages for CalWORKs participants engaged in subsidized employment, passed the Assembly Human Services Committee on April 24, 2007 by vote of 7 to 0, and now proceeds to the Assembly Appropriations Committee.

County-sponsored AB 223 (Runner), which would allow those serving in the military who are called to active duty in the United States on short notice, to be able to cast an absentee/provisional/or faxed ballot allowing those voters to be part of the official canvass, was approved by the Assembly Appropriations Committee on its consent calendar on April 25, 2007. The measure now proceeds to the Assembly Floor, where it could be considered next week.

County Co-sponsored 1062 (Ma), which will require the California Department of Social Services to establish a statewide work support pilot program for counties that elect to participate, passed the Assembly Human Services Committee by a vote of 5 to 0. This program will alleviate housing instability for a specified number of families who are receiving aid under the CalWORKs program and who meet eligibility standards. This bill now proceeds to the Assembly Appropriations Committee where it is pending a hearing date.

County-supported AB 1481 (De La Torre and Krekorian), which would require the State Water Resources Control Board (WRCB), on or before July 31, 2009, to establish general discharge permits for landscape irrigation projects utilizing recycled water for which the State Department of Public Health has set recycling criteria, and authorize the WRCB to establish a reasonable schedule of fees to reimburse the WRCB for the costs it incurs in adopting and administering the general permit, passed the Assembly Water, Parks and Wildlife Committee on April 24, 2007 by a vote of 12 to 0, and now proceeds to the Assembly Appropriations Committee.

County-supported SB 680 (Ridley-Thomas), which would appropriate funds to permanently establish the Special Needs Assistance Program to facilitate the inclusion of children with disabilities and other special needs in State-subsidized child care programs, passed the Senate Human Services Committee on April 24, 2007 by a vote of 3 to 2, and now proceeds to the Senate Appropriations Committee.

County-opposed SB 893 (Cox), which would redirect Proposition 10 funds from county First 5 Commissions to the California First 5 Commission to provide health care

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services for children, failed passage in the Senate Health Committee by a vote of 7 to 4 on April 25, 2007.

We will continue to keep you advised.

DEJ:GK
MAL:MR:SK EW:VE:acn

c: All Department Heads
Legislative Strategist
Local 660
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants